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AOC

ALBERTA
OPPORTUNITY
COMPANY

CANADIAN
JAN 1 1993

TODAY

New President to Push Growth in Lending Activities

Jim Anderson didn't expect to be in a different office when he marked his 20th anniversary with Alberta Opportunity Company — especially the one assigned to the president and CEO.

Nonetheless, the former Lending Vice President who took over the helm of the crown corporation January 1, following the retirement of long time leader Roy Parker, has taken up the challenge with enthusiasm.

"It's very rewarding to spend a big chunk of your life working to accomplish something and ultimately have your accomplishments recognized in a concrete way."

Anderson has been a key figure at AOC since coming on board in 1973 as Assistant Vice President of Lending and being promoted as leader of that division seven years later. Prior to joining the newly-founded organization, he spent 14 years with the commercial banking sector.

He views the internal promotion as a vote of confidence for AOC's current operating strategy, and is quick to point out his belief that there are many small businesses in Alberta which could and should be benefitting from AOC loans "and we are anxious to make contact with them."

Since it began operation 20 years ago, AOC has made some 6,500 loans, injecting \$650 million into small business across the province. Anderson estimates total losses stemming from uncollectible accounts are slightly more than 10 per cent.

He is convinced there are hundreds of other would-be and existing business owners out there who could benefit from AOC's assistance.

"It has to be difficult for that fairly decent-sized slice of the small business community that has the potential and ability to grow and prosper, but is simply

too high-risk for commercial lenders," he says, adding many people don't know where to turn once their financing proposals have been rejected by banks.

"If anybody could tell us what we could do to make us more accessible, we'd like to hear it."

Not one to ignore business potential, or that of his own organization, Anderson is determined to boost AOC's portfolio by 25 per cent, to \$40 million in loans annually.

Anderson also intends to maintain the momentum that has been generated in recent years in the area of training for entrepreneurs. The conferences and seminars organized and presented by AOC's Conference Division have been highly successful and widely acclaimed by the business community.

"In addition, the skills and experience offered by our management consultants have been increasingly in demand, and maintaining our ability to provide this help is a high priority," he says.

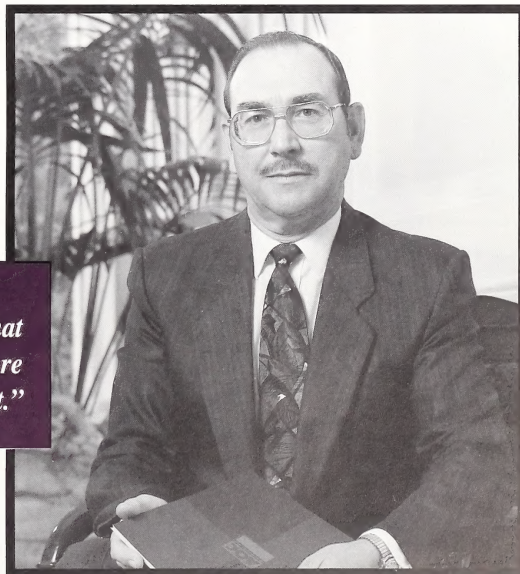
"If anybody could tell us what we could do to make us more accessible, we'd like to hear it."

"There are no doubt many challenges ahead, however, I'm confident that the solid track record we've established over the past 20 years puts us in a position to provide our services to even more entrepreneurs."

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AOC President and CEO Jim Anderson.

Going it Alone...

THESE DAYS, MORE AND MORE DETERMINED ALBERTANS ARE BREAKING AWAY

FROM TRADITION AND WORKING FOR THEMSELVES. THEY'RE BOSS.

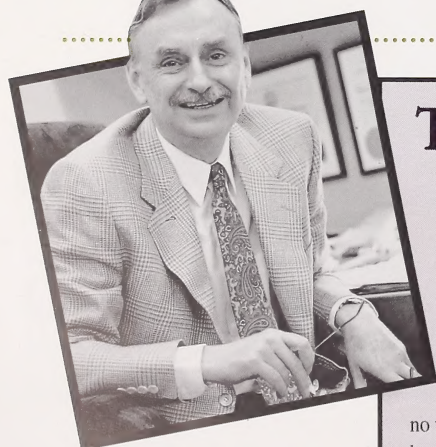
AND EMPLOYEE. ALL ROLLED INTO ONE.

THIS IS SMALL BUSINESS AT ITS SMALLEST. THERE'S NO ONE TO RELY ON.

NO ONE TO HELP LIGHTEN THE LOAD. JUST ONE PERSON GOING IT ALL ALONE.

AOC TODAY RECENTLY MET WITH TWO SUCH GO-GETTERS WHO SEIZED

OPPORTUNITY AND ARE TACKLING PRIVATE ENTERPRISE ALL ON THEIR OWN.



Bob Newton

Thinking of Becoming Your Own Boss? Co

Bob Newton, Q.C.
Parlee McLaws

Economic times are tough! When formerly robust corporations such as Olympia and York and Canadian Airlines are in trouble, it's no wonder bankruptcies and business failures are at an all-time high. CIBC recently announced 2,500 existing jobs across Canada

will be eliminated this year — and when our chartered banks are forced to downsize, there can be no doubt about the seriousness of our persistent recession.

In response to these hard times, many laid off workers have taken action and decided to become their own bosses. They are "going it alone" in small businesses, often as sole proprietors or in partnership with others in similar circumstances.

If you're considering this option, it's essential to bulletproof your personal and family assets from loss by keeping them separate and apart from your business interests. The possibility that your business may fail is concern enough, without adding insult to injury by seeing your personal worth go down the tubes as well.

Businesses which operate in

Small Scale Business Means Less Risk for Newcomer Learning the Ropes

For almost every business owner, there's no greater pleasure than having patrons stream through the door. But for Thuan Vy it means even more — someone to talk to.

As the sole operator of a small service outlet in Brooks, Vy is not only his own boss but his own employee, as well.

"I hear the door open and I'm happy to see a customer coming in. I'm just happy to see company," says Vy who purchased Jim's Shoe and Saddle Repair Ltd. in Brooks three years ago through the help of AOC.

Although he may get lonely on the job, the former railroad worker, who immigrated to Canada from Vietnam just over a decade ago, doesn't regret his decision to try his hand at business on a small scale.

"Sometimes you have to take lots of risks with more employees involved. Labor and everything else, costs. If you have another helper and they know how to do the job properly, it's fine. But whether they do the work or don't do the work, you still have to pay them," he explains.

"When you work all by yourself, what you do, is what you get. You've got to work hard and you've got to be good."

Vy committed himself to his business even before he purchased it, learning the ropes from its previous owner. Patience and a knack for repair work helped him successfully take over the shop, and 1 1/2 years ago, he received AOC financing to purchase his own premises.

The operation has flourished, but not to the extent where additional employees are required. Vy still puts in 5 1/2 days per week at his shop and leaves only when his wife fills in at the counter to give him a break.

"This is very good training for starting a business," he says.

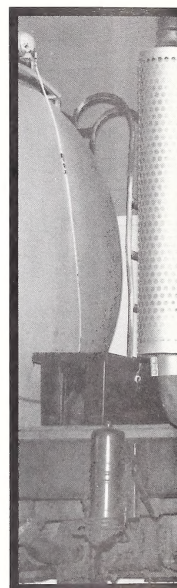
"If you cannot handle a small business, how will you handle a big one? You should start from the bottom, and work up. If I do really well at this business, I know I can handle something larger."

Vy is encouraged by the progress he's made as an entrepreneur, and is already talking about pursuing other ventures.

"This is short term. With a one-man business like this, you can't go for a long time. This is the first step for me from working for someone else to going it alone."



Thuan Vy: Digging his heels into a one-man operation.



Many laid off workers have taken action and decided to become their own bosses.

Your Backside!

the form of sole proprietorships or partnerships have the disadvantage of not being separate legal entities. As a result, personal assets such as homes, automobiles and savings may be seized by unpaid creditors.

While a proprietorship or partnership may appear to be the easiest route to go when it comes to starting a small business, it's important to consider other

options such as incorporating your enterprise. Even though principal shareholders of small corporations are frequently required by banks or major suppliers to personally guarantee repayment of debt, personal responsibility for many other obligations can be escaped.

By incorporating your enterprise, you can avoid or minimize personal responsibility related to trade creditors, com-

mercial leases, supply contracts, losses, injuries, wrongful dismissal claims, damages not covered by insurance, and other business obligations.

Along with limited liability, incorporation is perpetual and enables you to easily transfer or withdraw your investment. It also provides tax advantages, greater flexibility for obtaining financing, and allows for estate planning and

employee participation.

Those of you who choose to go it alone should carefully con-

sider the advantages of taking your alter egos along for the ride by incorporating your business. It may cost more, but in the end, it could very well be worth every penny.

Lone Mechanic Reaping Rewards of Hard Work and High Standards

When Roger Schulenberg left his job of six years and began plying his heavy-duty mechanic skills elsewhere, he was amazed to see the demand for his services increase by some 300 per cent.

"I thought, if all of these people are willing to follow me here, maybe they'll follow me to my own shop," recalls Schulenberg.

Buoyed by the overwhelming response to his individual efforts, he struck out on his own and hasn't looked back since.

\$200,000 mark in 1993.

To the envy of many an entrepreneur, Schulenberg has been able to single-handedly take on the competition by capitalizing on his skills alone.

"Ninety per cent of my increase in customers is because of them hearing from other customers.

We had a guy in last week who has 10 tankers. He'd never dealt with me before, but he was at a rig site and he said all he heard about was that he should go see me," he says.

The only drawback to such favorable endorsement is being able to meet the demands of a growing clientele.

"I work about 16 hours a day, usually six days a week, sometimes seven. I'm really busy . . . I don't say no," admits Schulenberg.

The 30-year-old is confident that in a few years he'll be able to take on employees to relieve the burden. In the meantime, he's determined to stick it out alone.

"I'm really fussy. It's hard to find people who have the same standards that I have. There's things that as an employer, I can demand but if you've got a partner and start making demands, you've got problems."

Schulenberg has some sacrifices ahead of him before he's able to lighten his workload, but he's not worried about losing his drive.

"Even when I worked for other people, I'd work 24 hours-a-day if I had to. I've always liked it," he says.

And that, adds Schulenberg, is the key to successfully going it alone in business.

"You have to be self-motivated . . . without a doubt, it's one of the most important things."

***"I love it.
You reap your own
rewards, make it
what you want.
The harder you
want to work,
the more you
benefit from
what you do."***



Roger Schulenberg: Putting in time for big rewards.

"I love it. You reap your own rewards, make it what you want. The harder you want to work, the more you benefit from what you do. When I worked hard for someone else, they benefitted and I simply got a pay cheque, same as always."

After opening Edge Fleet Maintenance in Grande Prairie with the help of AOC financing, Schulenberg was quick to build up a steady clientele. His two-year-old company's annual revenues skyrocketed from \$63,000 to \$136,000, and he expects to reach the

***"I'm really fussy.
It's hard to find people who have
the same standards that I have."***



Call us . . .

AOCToday was created to meet your information needs. If there's a business issue you want to see addressed, facts you need to know or a story you'd like us to share, call us! We've got an edition of 'The Best of Alberta' for the best suggestion we receive.

We also want to help you in your entrepreneurial endeavours. If you're looking for business partners, seeking an investment opportunity or trying to sell your own operation, call us! We'll make an effort to pass your needs onto our readership.

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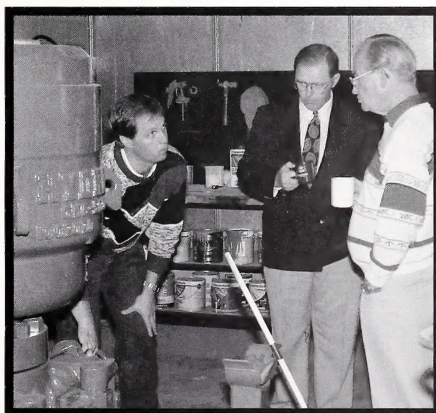


Federal Mini-Budget Has Silver Lining for Business Owners

*Peat Marwick Thorne
Chartered Accountants*

The federal government's recently released mini-budget features a grab bag of measures aimed at stimulating small business in Canada. Here's some highlights:

- Temporary 10 per cent investment tax credits for equipment used in the manufacturing, processing, mining, oil and gas, logging, farming, fishing, construction and transportation industries. These will be available for most new machinery and equipment acquired from December 2, 1992 to December 31, 1993.
- Reduced unemployment insurance premiums for growing businesses.
- Small Business Development Bonds and Small Business Bonds extended by two years to enable small ventures in financial difficulty to obtain cheaper financing on up to \$500,000 of borrowings.
- Registered Retirement Savings Plans, Registered Retirement Income Funds and Labor-Sponsored Venture Capital Corporations will be allowed more flexibility to invest in small businesses.



Dave Cannings of Oilco Services and Supply at Nisku showed off his business to AOC's Assistant Lending Vice President John Kennedy and director Gordon Greenwood who visited several clients during a recent tour undertaken by management and board members.

Welcome Aboard!

We're proud to welcome the following companies to the AOC family:

*A & T Construction and Transit Mix Ltd.,
Lac La Biche
Anytime Snacks, Okotoks
Bowser and Company Dog Groomers -
A Division of Hestron Holdings Ltd, Edmonton
Mohawk Auto Square, Calgary
Sieg's Motors Ltd., Brooks
Tar Sands Sheet Metal (1983) Ltd., Calgary
The Gallery on Ross Inc., Red Deer
Tony and Maria Motel, Barrhead
Wiseman Coupland Insurance (1992) Ltd.,
Red Deer
Thermo Scan Consulting Inc., Vauxhall
Ultra Paint & Wallcovering Ltd., Fairview*

Letters...

I have read your AOC Today publication and am impressed with it.

I felt you would appreciate hearing from a small community that is not taking a wait-and-see attitude towards economic development. The Town of Bow Island is offering free, serviced industrial/commercial land to companies which develop new facilities and create employment. We are not waiting for our future to happen, we are creating it!

Keep up the good work with your publication — it is well received.

*Fred Mellen
Economic Development Officer
Town of Bow Island*

Jim Anderson talks about why Alberta Opportunity Company would rather stand behind entrepreneurs, than between them.



“A lot of times, all that stands between you
and your business dreams is money.

“You've got an idea. You've got a plan. You've got the drive.

“In a nutshell, you've got what it takes...
everything but money, that is.

“AOC may be able to provide you
with the resources you need to succeed.

“We're an *alternate source of financing* which means that
we take on clients traditional lending institutions won't.

“No, we're not crazy. And we're not foolhardy, either.

“We simply look at things above and beyond your assets.
We look at *you* and *your* potential.

“And we'd like to look at a whole lot more of you.
And your business plans.

“Call us... drop by our office... learn how AOC can help you.

“Because we want to stand behind you.
And your business dreams.

“The rest is up to you.”

Jim Anderson
President & CEO

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